Chapter 2
SAR FORMATS

2-1. GENERAL

Each SAR will be prepared in a concise summary form with emphasis on new information or significant changes rather than on repetitive data of a historical nature. Each report shall be restricted to approximately 13 pages.

2-2. COVER SHEET

Figure 2-1 is a typical SAR cover sheet. The cover sheet must display the name of the report, the Report Control Symbol, as of date, the program name, classification and declassification information, and an index by format designation.
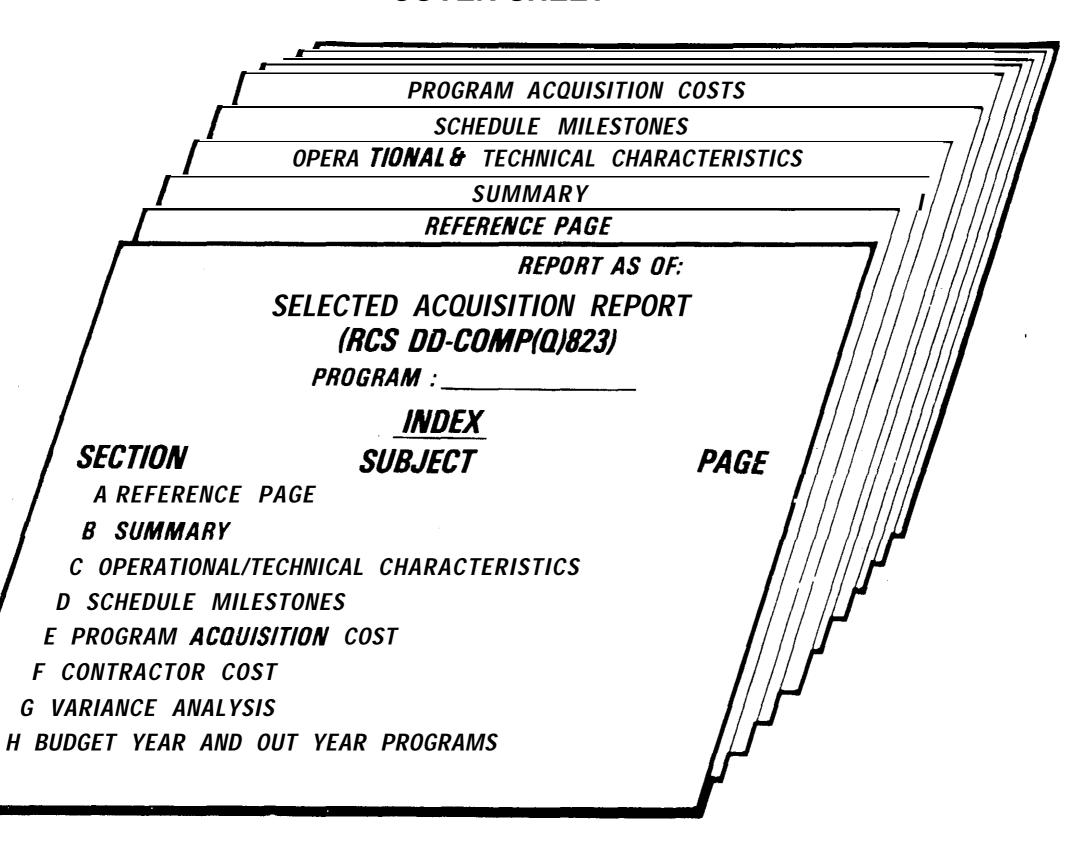
    a.   <u>Format G Reference</u>. For those SARS in which variance analyses (Format G) immediately follow their subject sections, only the cost variance analysis should be identified in the index.

    b.   <u>Format I Reference</u>. The cost-quantity curve (Format I) is not included in the index.

2-3. REFERENCE pAGE (FORmat a)

Figure 2-2 is a typical reference page. The following information must be displayed.

    a.   <u>As of Date</u>. The last calendar day of each calendar quarter.

    b.   <u>Designation</u>. Enter the system designation (for example, F-15).

    c.   <u>Nomenclature</u>. Enter the system nomenclature (for example, Advanced Tactical Fighter).

    d.   <u>Popular Name</u>. Enter the popular name, such as EAGLE.

    e.   <u>Mission and Description</u>. Enter a brief description of the major system, including its principal subsystems, and the mission it will perform. Enter the names of major systems this system will replace. If none, so state.

    f.   <u>Related Programs</u>. Identify related programs; such as any program that is directly affected by changes in the program's cost, schedule, operational/technical characteristics, or any program that could directly impact the cost, schedule, or operational/technical characteristics of the subject system. Programs identified should include programs of other DoD Components and other SAR programs.

FIGURE 2-1

REPORT COMPOSITION
COVER SHEET

PROGRAM ACQUISITION COSTS

SCHEDULE MILESTONES

OPERA *TIONAL&* TECHNICAL CHARACTERISTICS

SUMMARY

REFERENCE PAGE

REPORT AS OF:

SELECTED ACQUISITION REPORT
(RCS DD-COMP(Q)823)

PROGRAM : _____

INDEX

SECTION   SUBJECT   PAGE

A REFERENCE PAGE

B SUMMARY

C OPERATIONAL/TECHNICAL CHARACTERISTICS

D SCHEDULE MILESTONES

E PROGRAM ACQUISITION COST

F CONTRACTOR COST

G VARIANCE ANALYSIS

H BUDGET YEAR AND OUT YEAR PROGRAMS

FIGURE 2-2

FORMAT A. REFERENCE PAGE

MISSION AND DESCRIPTION

Includes:

Brief description of system being replaced and effect on other systems

REFERENCES

Includes:

Identification of specific baseline approval documents

SELECTED ACQUISITION REPORT

SYSTEM A XX   RCS *DD COMP(Q)823*

A

1. **AS OF DATE:**   SUBMISSION **DATE:**

2. **DESIGNATION:** A-xx

3. **NOMENCLATURE:** Specialized Close Air Support Aircraft

4. **POPULAR NAME:** None

5. **MISSION AND DESCRIPTION:**

The A-xx is a twin turbofan aircraft specifically designed to provide a Close Air Support capability composed of Close Supporting Fire, Anneal Escort and Armed Reconnaissance in a bank area involving anti-tank and anti-mechanized vehicle operations in close proximity to friendly ground forces. The A-xx is capable of carrying up to 16,000 pounds of external load as well as a 30mm rapid fire high muzzle velocity gun and will be used by the Tactical Air Command. It will be equipped with low cost avionics. It will be the first Air Force aircraft specifically designed for the close air support of friendly ground forces.

6. **RELATED PROGRAMS** None

7. **PRIME CONTRACTORS:** ABC Industries, *Inc.*   **ENGINE:**   *General Engine* Co.   GUN: *General* Gun *Co.*
   ABC Aircraft Company   Aircraft Engine Group   Armament Systems Dept.
   New York, New York   Philadelphia, PA   Boston, MA

8. **000 COMPONENT:** US Air Force

9. **RESPONSIBLE OFFICE, PHONE NUMBER AND PROGRAM MANAGER:**
   A-xx Program Office   **AUTOVON:** 78 Area Code 666   Brigadier General Orville Wright
   Aeronautical Systems Division   722-222   Assigned 15 May 1975
   Wright-Patterson AF B, Ohio 45433

10. **REFERENCES:**

    SECTION C: Development Estimate - Decision Coordinate Paper (DCP) 99, 10 February 1975
               Approved Program   - Decision Coordinating Paper (DCP) 99, 10 February 1975

    SECTION D: Development Estimate - Decision Coordinating Paper (DCP) 99.10 February 1975
               Approved Program   - Decision Coordinating Paper (DCP) 99.10 February 1975

    SECTION E: Development Estimate - Defense Systems Acquisition Review Council (DSARC)
               J... 1973. DEPSECDEF memorandum 4 July 1974, and Decision Coordinating Paper (DCP) 99, 10 February 1975

g. Contractor Names. Enter the names, division, and plant location of the major prime and-associate prime and major subcontractors and indicate the major system or subsystem produced by each. This entry includes but is not limited to those contractors responsible for the contracts identified in Format F, Contractor Cost.

h. DoD Component. Enter the responsible DoD Component. Also , identify participating DoD Components for joint programs.

i. Responsible Office and Phone Number. Enter the DoD Component's office and project manager's name, date of assignment, and phone number (include area code or AUTOVON number).

j. References. Summarize references used in each section of the SAR for PE/DE, CE, and the Approved Program. These references should clearly identify the SAR sections to which they apply. The numbers of the RDT&E Program Elements included in the CE of Program Acquisition Cost will be identified. Also, identify project numbers when the entire Program Element is not included. One copy of each referenced document will be submitted to the ASD(C) with the initial SAR submission. When a reference is changed or added, a copy of the document will be submitted with the first SAR in which the reference appears. For references other than SDDMS that exceed 10 pages or include systems other than the subject SAR system, such as the President's budget, only the cover page and appropriate sections need be submitted.

2-4. SUMMARY pAGE (FORMAT B)

Figure 2-3 is representative of a typical summary page. The page contains the information described below.

a. Program Highlights. In the first paragraph, briefly summarize significant developments from program inception to date. This paragraph should be limited to one-half page if possible. The remaining paragraphs should focus on major events and changes since the previous report and their implications. These paragraphs should include:

(1) A brief summary of the significant developments in the program, including the current status of the related systems and key subsystems identified in paragraphs 2-3 and 2-3.f. except for those covered by separate SARs . Include those items typically addressed in the RDT&E Descriptive Summaries (e.g., information contained in the Program Accomplishments and Test and Evaluation Sections) and Congressional Data Sheets. Some examples include:

(a) Changes that require prior approval reprogramming.

FIGURE **2-3**

FORMAT B. EXECUTIVE SUMMARY

> *3.* (U) DECISION COORDINATING PAPER (DCP)
> THRESHOLDS BREACHED: DCP 385B, JULY 4, 1976.
> THE INITIAL OPERATING CAPABILITY (IOC) HAS
> BEEN DELAYED 12 MONTHS, EXCEEDING THE DCP
> THRESHOLD BY 4 MONTHS. THIS CHANGE IS DUE
> TO A REVISION IN THE PROCUREMENT PROGRAM
> STRUCTURE. OUSDR&E WAS NOTIFIED OF THIS
> PROGRAM CHANGE IMPACT BY MEMO DATED
> 25 DEC 77.

SUMMARY

SYSTEM: AS OF DATE:

B.

1. PROGRAM HIGHLIGHTS
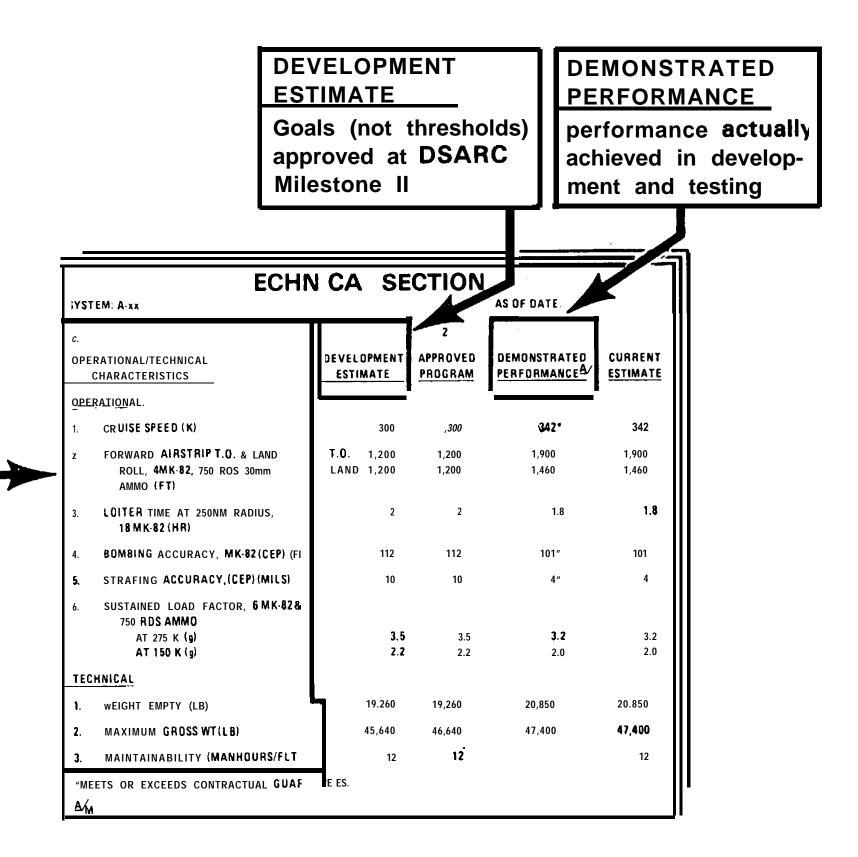
2. CHANGES SINCE "AS OF" DATE

3. DCP THRESHOLDS BREACHED

(b) Changes resulting from Defense System Acquisition Review Council **(DSARC)** meetings, **SDDMs,** or other specific Secretary of Defense approvals that impact the out year program.

(c) When the results of test and evaluation dictate that additional testing is required prior to production, thus delaying **the** planned procurement.

(d) When weapon system testing initially planned to be completed prior to a DSARC decision is not completed.

(e) Significant Development Test and Evaluation **(DT&E),** Initial Operational Test and Evaluation **(IOT&E),** and Operational Test and Evaluation **(OT&E)** results during the reporting period, including major discrepancies found and remedial actions taken or planned.

(f) Contract activity, including awards, major changes, and significant claims.

(2) An assessment of the extent to which the system is expected to satisfy its current mission requirement, identifying those areas where it will fall short.

b.   Changes Since As Of Date.   Enter any significant changes in the program that have occurred since the as of date.

c.   DCP Thresholds Breached.   Enter the date of the latest SDDM or the number and date of the approved DCP (if applicable).   Identify the submission date to OSD and current status of any formally submitted draft DCP or DCP change.   State whether any program thresholds have been or are estimated to be breached and what threshold is being breached.   Reference the means by which OSD has been previously notified of the breach of threshold.   If no SDDM or DCP is available, state reason.

2-5. TECHNICAL SECTION (FORMAT C)

a.   General.   Figure 2-4 is a typical technical section.   The format displays the quantifiable **operational/technical** characteristics and their units of measure that best describe the major system and that best reflect its expected value and effectiveness in performing the intended military missions.

(1) Indicate changes since the previous submission by the notation "Ch.," plus a sequential number, covering the complete SAR, in parentheses immediately to the right of the changed data: (Ch. 1), (Ch. 2).

(2) Restart the number sequence with each report.

FIGURE 2-4

FORMAT C. OPERATIONAL/TECHNICAL CHARACTERISTICS

DEVELOPMENT ESTIMATE

Goals (not thresholds) approved at **DSARC** Milestone II

DEMONSTRATED PERFORMANCE

performance **actually** achieved in development and testing

OPERATIONAL/TECHNICAL CHARACTERISTICS

Quantifiable characteristics which best describe the major system and which reflect its effectiveness

As a minimum, this section must contain the approved data items for which DCP thresholds have been established.

ECHN CA SECTION

SYSTEM: A-xx

AS OF DATE.

c. OPERATIONAL/TECHNICAL CHARACTERISTICS	DEVELOPMENT ESTIMATE	APPROVED PROGRAM	DEMONSTRATED PERFORMANCE△/	CURRENT ESTIMATE
OPERATIONAL.				
1. CRUISE SPEED (K)	300	,300	342*	342
z FORWARD AIRSTRIP T.O. & LAND ROLL, 4 MK-82, 750 ROS 30mm AMMO (FT)	T.O. 1,200 LAND 1,200	1,200 1,200	1,900 1,460	1,900 1,460
3. LOITER TIME AT 250NM RADIUS, 18 MK-82 (HR)	2	2	1.8	1.8
4. BOMBING ACCURACY, MK-82 (CEP) (FI	112	112	101"	101
5. STRAFING ACCURACY, (CEP) (MILS)	10	10	4"	4
6. SUSTAINED LOAD FACTOR, 6 MK-82 & 750 RDS AMMO				
AT 275 K (g)	3.5	3.5	3.2	3.2
AT 150 K (g)	2.2	2.2	2.0	2.0
TECHNICAL				
1. wEIGHT EMPTY (LB)	19.260	19,260	20,850	20.850
2. MAXIMUM GROSS WT (LB)	45,640	46,640	47,400	47,400
3. MAINTAINABILITY (MANHOURS/FLT	12	12		12

"MEETS OR EXCEEDS CONTRACTUAL GUAR   E ES.

△/M

b.   Operational,/Technical Characteristics.   Display those **charac-teristics** or which SDDM or approved **DCP** (if applicable) thresholds exist, principal performance .**requirements of .the** contract, meaningful characteristics pertaining to key subsystems, **and** any other characteristics considered significant.   All **values .will** be in terms of goals, not thresholds.   When successive goals are established for the same characteristic, show the last **goal** for which a threshold is established. As required and with **OSD** approval, update the list to incorporate changes in requirements.   Updates will generally be limited to additions to the data element list.   Demonstrated performance and **CE** entries will be maintained for data elements for which an approved program entry is no longer appropriate unless the characteristic is no longer meaningful or demonstrable.   This requirement is intended to maintain the integrity of **the** baseline.   Data elements added after the SAR baseline is established will enter "N/A" under the **PE/DE** column unless the addition is contained in the baseline reference document.

(1) Planning Estimate.   Enter the operational/technical charac-teristics and their originally intended values as contained in the PE. The PE will be reflected up to and **including.the** first time the DE is reported as the program baseline.

(2)   Development Estimate.   Enter the specific characteristics as shown in or based on the DE.

(3)   Approved Program.   Enter the currently approved **character-istics.**

(4)   Demonstrated Performance.   Enter, for each data element being reported, that value relative to the goal actually achieved in the development and testing program.   Values will ordinarily be determined in accordance with the approved program test and evaluation plan.   In the absence of a formal test plan, the value determination will be the best objective measure of technical progress as determined by the project manager.   The results of advanced development testing will be displayed until engineering develop-ment data is available.   If a demonstrated performance value represents achievement of contractual guarantees, asterisk (*) and footnote that value accordingly.

(5) Current Estimate.   Enter the DoD Component's **CE** of the value of each of the characteristics at completion of development.

2-6. SCHEDULE SECTION (FORMAT D)

a.   General.   Figure 2-5 is a typical schedule section.   It displays the approved key milestones and actual completion dates.

(1) Indicate changes since the previous submission by the notation "Ch. ," plus a sequential number, covering the complete **SAR,** in parentheses immediately to the right of the changed data: (Ch. 3), (Ch. 4).

FIGURE **2-5**
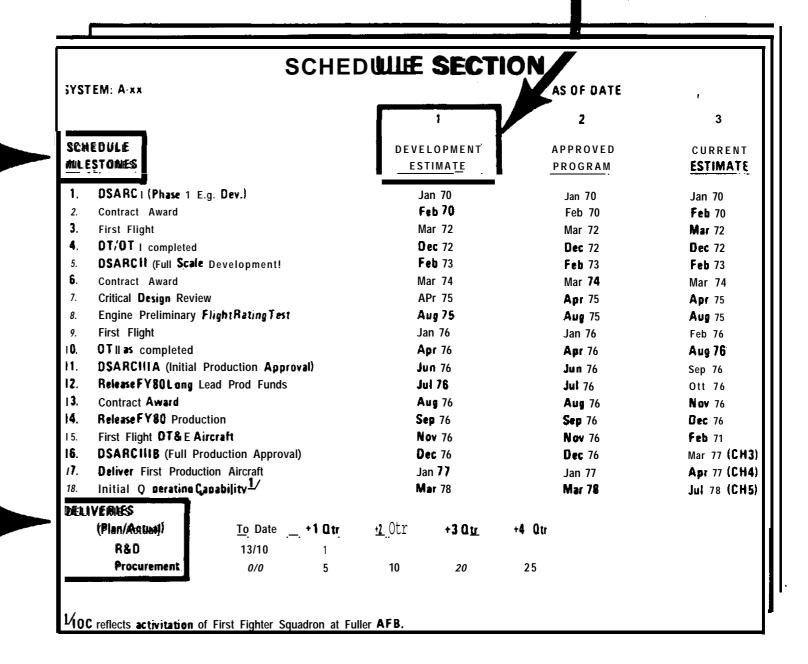
FORMAT D. SCHEDULE MILESTONES

DEVELOPMENT ESTIMATE
Goals (not thresholds) approved at Milestone II

SCHEDULE MILESTONES
Program milestones which encompass entire period of program from program initiation to Initial Operating Capability (IOC)

DELIVERIES
Includes units scheduled to be accepted under current plan vs actual acceptance. Also includes plan for next four quarters

SCHEDULE SECTION

SYSTEM: A-xx

AS OF DATE

		1	2	3
SCHEDULE MILESTONES		DEVELOPMENT ESTIMATE	APPROVED PROGRAM	CURRENT ESTIMATE
1.	DSARC I (Phase 1 E.g. Dev.)	Jan 70	Jan 70	Jan 70
2.	Contract Award	Feb 70	Feb 70	Feb 70
3.	First Flight	Mar 72	Mar 72	Mar 72
4.	DT/OT I completed	Dec 72	Dec 72	Dec 72
5.	DSARC II (Full Scale Development)	Feb 73	Feb 73	Feb 73
6.	Contract Award	Mar 74	Mar 74	Mar 74
7.	Critical Design Review	APr 75	Apr 75	Apr 75
8.	Engine Preliminary Flight Rating Test	Aug 75	Aug 75	Aug 75
9.	First Flight	Jan 76	Jan 76	Feb 76
10.	OT II as completed	Apr 76	Apr 76	Aug 76
11.	DSARC III A (Initial Production Approval)	Jun 76	Jun 76	Sep 76
12.	Release FY 80 Long Lead Prod Funds	Jul 76	Jul 76	Ott 76
13.	Contract Award	Aug 76	Aug 76	Nov 76
14.	Release FY 80 Production	Sep 76	Sep 76	Dec 76
15.	First Flight OT&E Aircraft	Nov 76	Nov 76	Feb 71
16.	DSARC III B (Full Production Approval)	Dec 76	Dec 76	Mar 77 (CH3)
17.	Deliver First Production Aircraft	Jan 77	Jan 77	Apr 77 (CH4)
18.	Initial Operating Capability [1]	Mar 78	Mar 78	Jul 78 (CH5)

DELIVERIES (Plan/Actual)

	To Date	+1 Qtr	+2 Qtr	+3 Qtr	+4 Qtr
R&D	13/10	1			
Procurement	0/0	5	10	20	25

[1] IOC reflects activation of First Fighter Squadron at Fuller AFB.

(2) Restart the number sequence with each, report.

b.   Schedule Milestones.   As a minimum, include the milestones listed in the SDDM or approved DCP (if applicable) and the RDT&E Descriptive Summary.   All values will be in terms of the established goals, not thresholds. Milestones should encompass the entire period from program initiation (that is, first year of funding. encompassed by the program acquisition cost displayed in Format E) through the end of the research and development phase and should include Initial Operational Capability (IOC) and award of the first full-scale production contract.   Footnote the program definition of IOC .   As was the case for operational/technical characteristics in paragraph 2-5. b. , updates will normally be limited to additions and approved program and CE entries will be maintained when appropriate.

(1) Planning Estimate.   Enter the completion date for each milestone as shown in, or based on, the PE.   The PE will be reflected up to and including the first time the DE is reported as the program baseline.

(2) Development Estimate.   Enter the completion date for each milestone as shown in, or based on, the DE.

(3) Approved Program.   Enter the completion date for each milestone as shown in, or based on, the currently approved program.

(4) Current Estimate.   Enter completion dates that have actually occurred or the DoD Component's estimated completion dates for events that have not yet occurred.

c.   Units Accepted to Date (Plan/Actual).   This part of the schedule section shows" the status of accepted deliveries to date and the planned acceptances for the next 12 months.

(1) Enter the units scheduled to be accepted under the current plan.   The current plan is that upon which the CE of Program Acquisition Cost (Format E) is based and will include a projection, by quarter, for the next four quarters.   Identify the specific kind of unit, such as prototype, engineering and flight test articles, pilot production, and production. Include in the R&D quantity advanced development and engineering development items to the extent such quantities are included in the program acquisition cost estimate and displayed in the Quantities section of Format E.

(2) Enter the units actually accepted to date by specific kind. Where units accepted are not ready for intended use, so indicate.
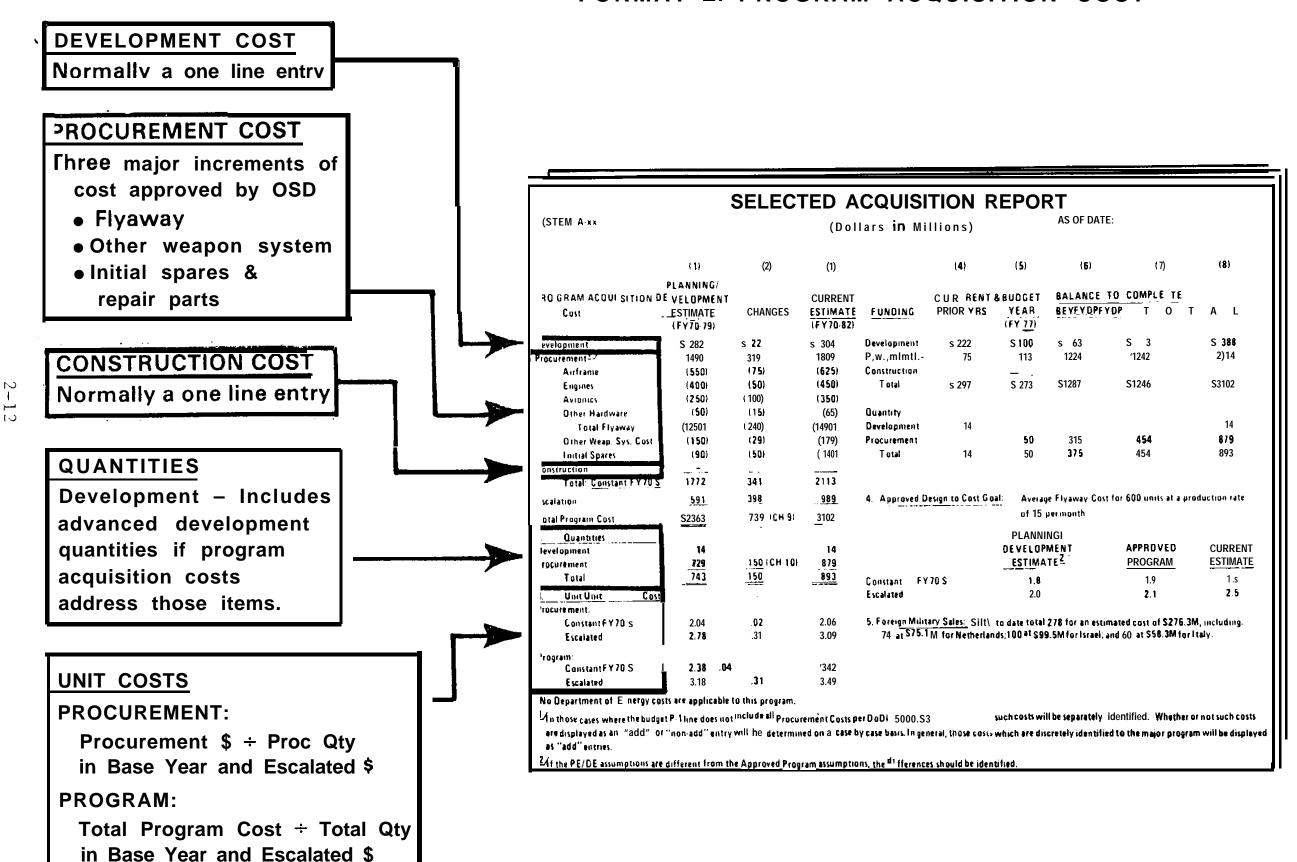
2-7. PROGRAM ACQUISITION COST (FORMAT E)

SAR estimates shall include all program acquisition costs' applicable to the approved program regardless of the program's stage of development. Development costs shall be accumulated from the point the major defense

2-1o

system is designated by title as a **Program** Element or major project **within** a Program Element. Construction costs shall include those projects that directly support and uniquely identify with the system. The detailed definition of program acquisition cost **is** in DoD Instruction 5000.33 (reference (c)). **In** general, the procurement cost portion **of** program acquisition cost is reflected in the Weapon System **Line Item** Listing **(Exhibit** P-1, Chapter 241, DoD 7110-1-M) (reference **(d))** for **the** weaPon sYstem **involved,** plus its associated initial spares. For Navy shipbuilding programs, outfitting and post delivery costs are also included. In those instances where the P-1 line does not include all procurement costs (per reference **(c))** , such **costs** will be identified. The **determination** of add or nonadd status for such costs will be made at the time the data elements are approved.

a. <u>Cost Estimate Detail.</u> Figure 2-6 is a typical Format E display. It portrays cost estimates and funding requirements for development, procurement, and construction.

(1) Report the required level of cost detail as specified in the program acquisition cost data elements approved by OSD for each weapon system. In general, report Development and Military Construction as one-line entries at the appropriation level. Report Procurement cost in three major increments: flyaway cost, other weapon system cost, and initial spares and repair parts. This breakout will conform to the definitions in reference (c). The level **of** aggregation required within each major increment will be tailored to the particular program being reported.

(a) As a minimum, the flyaway cost increment will be **sub-divided** to **reflect** those hardware items for which unit costs are reported.

(b) The detailed flyaway data elements such as airframe should be in terms of the appropriate MIL STD 881 (reference (e)) definitions.

(c) **Flyaway** data elements should be directly derived from the information portrayed in Format I, Cost-Quantity Curves.

(2) Indicate changes since the previous submission by the notation **"Ch.,"** plus a sequential number, covering the complete SAR, in parentheses immediately to the right of the changed data: (Ch. 5), **(Ch.** 6). Restart the number sequence with each report. Care should be taken to use the minimum change notations necessary. In general, noting changes in totals is sufficient.

b. <u>Planning Estimate/Development Estimate (column 1, figure 2-7).</u> Enter the baseline estimate for the particular system. The PE will be reflected up to and including the first time the DE is reported as the program baseline. Also, head the column appropriately with the years

FIGURE 2-6

FORMAT E. PROGRAM ACQUISITION COST

DEVELOPMENT COST
Normally a one line entry

PROCUREMENT COST
Three major increments of cost approved by OSD
- Flyaway
- Other weapon system
- Initial spares & repair parts

CONSTRUCTION COST
Normally a one line entry

QUANTITIES
Development – Includes advanced development quantities if program acquisition costs address those items.

UNIT COSTS
PROCUREMENT:
Procurement $ ÷ Proc Qty in Base Year and Escalated $
PROGRAM:
Total Program Cost ÷ Total Qty in Base Year and Escalated $

2-12

SELECTED ACQUISITION REPORT

(STEM A-xx
(Dollars in Millions)
AS OF DATE:

PROGRAM ACQUISITION Cost	PLANNING/DEVELOPMENT ESTIMATE (FY70-79) (1)	CHANGES (2)	CURRENT ESTIMATE (FY70-82) (1)	FUNDING	CURRENT & BUDGET PRIOR YRS (4)	YEAR (FY 77) (5)	BALANCE TO COMPLETE BEYFYDPFYDP (6)	TOTAL (7)	(8)
Development	S 282	s 22	s 304	Development	s 222	S 100	s 63	S 3	S 388
Procurement	1490	319	1809	P,w.,mlmtl.-	75	113	1224	1242	2)14
Airframe	(550)	(75)	(625)	Construction			—		
Engines	(400)	(50)	(450)	Total	s 297	S 273	S1287	S1246	S3102
Avionics	(250)	(100)	(350)						
Other Hardware	(50)	(15)	(65)	Quantity					
Total Flyaway	(12501	(240)	(14901	Development	14				14
Other Weap. Sys. Cost	(150)	(29)	(179)	Procurement		50	315	454	879
Initial Spares	(90)	(50)	(140)	Total	14	50	375	454	893
Construction									
Total Constant FY70 $	1772	341	2113						
Escalation	591	398	989						
Total Program Cost	S2363	739 (CH 9)	3102						

4. Approved Design to Cost Goal: Average Flyaway Cost for 600 units at a production rate of 15 per month

Quantities					PLANNING/DEVELOPMENT ESTIMATE	APPROVED PROGRAM	CURRENT ESTIMATE
Development	14		14				
Procurement	729	150 (CH 10)	879	Constant FY70 $	1.8	1.9	1.s
Total	743	150	893	Escalated	2.0	2.1	2.5

Unit Cost
Procurement:
Constant FY70 $ 2.04 .02 2.06
Escalated 2.78 .31 3.09

Program:
Constant FY70 $ 2.38 .04 '342
Escalated 3.18 .31 3.49

5. Foreign Military Sales: Silt\ to date total 278 for an estimated cost of $276.3M, including. 74 at $75.1M for Netherlands;100 at $99.5M for Israel; and 60 at $58.3M for Italy.

No Department of Energy costs are applicable to this program.

1/ In those cases where the budget P-1 line does not include all Procurement Costs per DoDI 5000.S3 such costs will be separately identified. Whether or not such costs are displayed as an "add" or "non-add" entry will he determined on a case by case basis. In general, those costs which are discretely identified to the major program will be displayed as "add" entries.

2/ If the PE/DE assumptions are different from the Approved Program assumptions, the differences should be identified.

of the **program** as determined **by** the funding profile associated with the program acquisition cost shown. Show program acquisition costs for **develop- ment,** Procurement "(in **terms** of total and the data element breakdown currently reported), and construction in program base year constant dollars. The entry for escalation will reflect the amount of economic escalation included at the time of the baseline's approval.

  c. <u>Changes (column 2, figure 2-7)</u>. Enter the cost variance between the PE or DE and the **CE** using the approved data elements. The entry for escalation in this **column** will reflect changes in economic escalation re- sulting from actual escalation different from that previously assumed, revisions to prior assumptions regarding future escalation, and escalation related to program changes estimated from the base year of the program.

  d. <u>Current Estimate (column 3, figure 2-7)</u>. Enter the current esti- mate of the total acquisition cost of the latest approved program, including a provision for experienced and projected escalation. For the December 31 **SAR,** the **CE** will agree with the President's budget and supporting documenta- tion, including the **FYDP, RDT&E** Descriptive Summaries, Congressional Data Sheets, and the Senate AppropriationC ommittee "(SAC) Program Data Book. The cost estimates for subsequent submissions should reflect the latest and best estimate of the cost of the last **DoD** approved program available to the DoD Component by the as of date for that submission (see paragraph **1-3.f.).** Program decisions made since the President's budget via the **DCP/DSARC** process, reprogramming actions, and Secretary of Defense memoranda will be displayed in subsequent SAR submissions. Program Objective Memorandum **(POM)** and Program Decision Memorandum **(PDM/APDM)** documents are excluded on the basis that they do not represent final Secretary of Defense decisions until the budget is submitted to Congress.

  (1) <u>Program</u> changes which are <u>exclusively</u> **POM/PDM/APDM** changes will not be shown. However, this restriction will not be used to exclude actual and projected cost changes simply because such changes are included in the **POM/PDM/APDM** cycle. When available information indicates the approved program, as defined in paragraph **1-3.f.** , will cost more than previously estimated, a revised estimate must be shown. This requirement applies even if program changes are proposed in the **POM/PDM/APDM** that will result in a restructured program and that remain within previously approved funding levels.

  (2) Current program acquisition costs for development, procurement (in terms of the total and the data element breakdown therein) , and **con- struction will be** reflected in program base year constant dollars. The entry for escalation will reflect the **amount** of experienced and projected escalation, both economic and escalation related to program changes esti- mated from the program base **year,** that is included in the CE. This will be the amount reflected for escalation in column 1 plus the changes for escalation reported in column 2.

FIGURE 2-7

FORMAT E. PROGRAM ACQUISITION COST

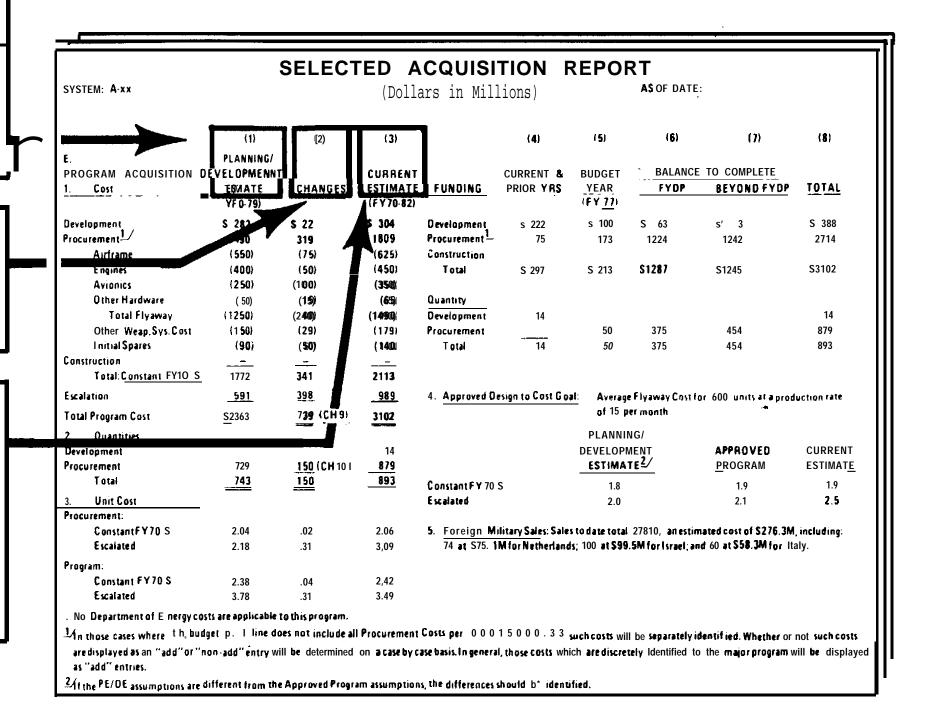## COLUMN 1
PLANNING/DEVELOPMENT ESTIMATE

Program cost baseline established at time of program approval (program initiation or Milestone II)

COLUMN 2
CHANGES

Differences between the PE/DE and the CE

COLUMN 3
CURRENT ESTIMATE

The total acquisition cost for the latest approved program, including provisions for escalation (experienced and projected)

SELECTED ACQUISITION REPORT
(Dollars in Millions)

SYSTEM: A-xx   AS OF DATE:

	(1) PLANNING/ DEVELOPMENT ESTIMATE YF0-79)	(2) CHANGES	(3) CURRENT ESTIMATE (FY70-82)		(4) CURRENT & PRIOR YRS	(5) BUDGET YEAR (FY 77)	(6) BALANCE TO COMPLETE FYDP	(7) BEYOND FYDP	(8) TOTAL
E. PROGRAM ACQUISITION 1. Cost				FUNDING					
Development	S 28?	S 22	S 304	Development	s 222	s 100	S 63	s' 3	S 388
Procurement 1/	30	319	1809	Procurement 1	75	173	1224	1242	2714
Airframe	(550)	(75)	(625)	Construction					
Engines	(400)	(50)	(450)	Total	S 297	S 213	S1287	S1245	S3102
Avionics	(250)	(100)	(350)						
Other Hardware	(50)	(15)	(65)	Quantity					
Total Flyaway	(1250)	(240)	(1490)	Development	14				14
Other Weap.Sys.Cost	(150)	(29)	(179)	Procurement		50	375	454	879
Initial Spares	(90)	(50)	(140)	Total	14	50	375	454	893
Construction	-	-	-						
Total:Constant FY10 S	1772	341	2113						
Escalation	591	398	989						
Total Program Cost	S2363	739 (CH9)	3102						
2. Quantities									
Development			14						
Procurement	729	150 (CH10)	879						
Total	743	150	893						
3. Unit Cost									
Procurement:									
Constant FY70 S	2.04	.02	2.06						
Escalated	2.18	.31	3,09						
Program:									
Constant FY70 S	2.38	.04	2,42						
Escalated	3.78	.31	3.49						

4. Approved Design to Cost Goal: Average Flyaway Cost for 600 units at a production rate of 15 per month

	PLANNING/ DEVELOPMENT ESTIMATE 2/	APPROVED PROGRAM	CURRENT ESTIMATE
Constant FY 70 S	1.8	1.9	1.9
Escalated	2.0	2.1	2.5

5. Foreign Military Sales: Sales to date total 27810, an estimated cost of S276.3M, including: 74 at S75. 1M for Netherlands; 100 at S99.5M for Israel; and 60 at S58.3M for Italy.

. No Department of E nergy costs are applicable to this program.

1/In those cases where t h, budget p. I line does not include all Procurement Costs per 0 0 0 1 5 0 0 0 . 3 3 such costs will be separately identified. Whether or not such costs are displayed as an "add"or "non-add" entry will be determined on a case by case basis. In general, those costs which are discretely Identified to the major program will be displayed as "add" entries.

2/If the PE/OE assumptions are different from the Approved Program assumptions, the differences should b* identified.

e.   Escalation.   Show all data element cost entries under development, procurement, and construction in **base** year constant dollars.   **To** avoid complications, the first year of funding **should** be established as the base year.   In those instances where the base year and the' first year of funding encompassed by the program acquisition cost differ, the constant dollar entry will be the sum of **prebase** year costs, in current dollars, such as **actuals,** and base year constant dollars for the remainder of the program. The appropriate data elements and constant dollar totals will be footnoted to identify the amount of escalation that must be **added to** arrive at a true base year constant dollar total.   Identify escalation experienced and projected during the spend-out period **of** the acquisition program.   Include both economic escalation and escalation related to program changes, estimated from the base year of the program.   DoD policy provides for development of the provision for escalation on the basis of price level indices. Appropriate guidance on the application of price level indices for this purpose will be issued, as required, by separate memorandum from **ASD(C).** A detailed discussion of escalation and price level indices is contained in Chapter 4.

f.   Baseline Changes.   Baseline changes will be accomplished only after review and approval by the **ASD(C)** in coordination with **USDR&E** and **ASD(PA&E)** . Costs previously excluded from a system's program acquisition cost will be added to the CE when it is determined that such costs are unique to or appropriately chargeable to that system.   Where the added costs represent formal requirements that existed at the time the PE or DE was established, the PE or DE may be retroactively adjusted.   In such cases, the value added to the PE or DE will be the value in existence at the time of PE or DE approval.   Report any difference between the adjusted PE or DE and the CE in the variance analysis, using the variance categories that best explain the difference.   When previously included costs are determined to be no longer unique to or appropriately chargeable to the system, their deletion will be similarly treated **(applies** only when the subject goods or services are to be budgeted elsewhere).   When changing **the** PE or DE is inappropriate, the addition will be made only to the CE and will be reflected in the variance category that best explains the difference (see subparagraph **3-2.f.** (2)).

g.   Quantities (figure 2-6).   This section indicates the quantities of development and procurement units, including advanced development quantities, to the extent such quantities are included in the program acquisition cost.   Enter all quantities immediately below the related cost estimate. If the DoD Component is acting as the procuring agent for other domestic users, show the additional quantities, their acquisition cost, and changes in a manner similar to the FMS display requirements (see paragraph **2-7.k.).**

(1) Planning Estimate/Development Estimate (column 1). Enter the total quantities included in the PE or DE.

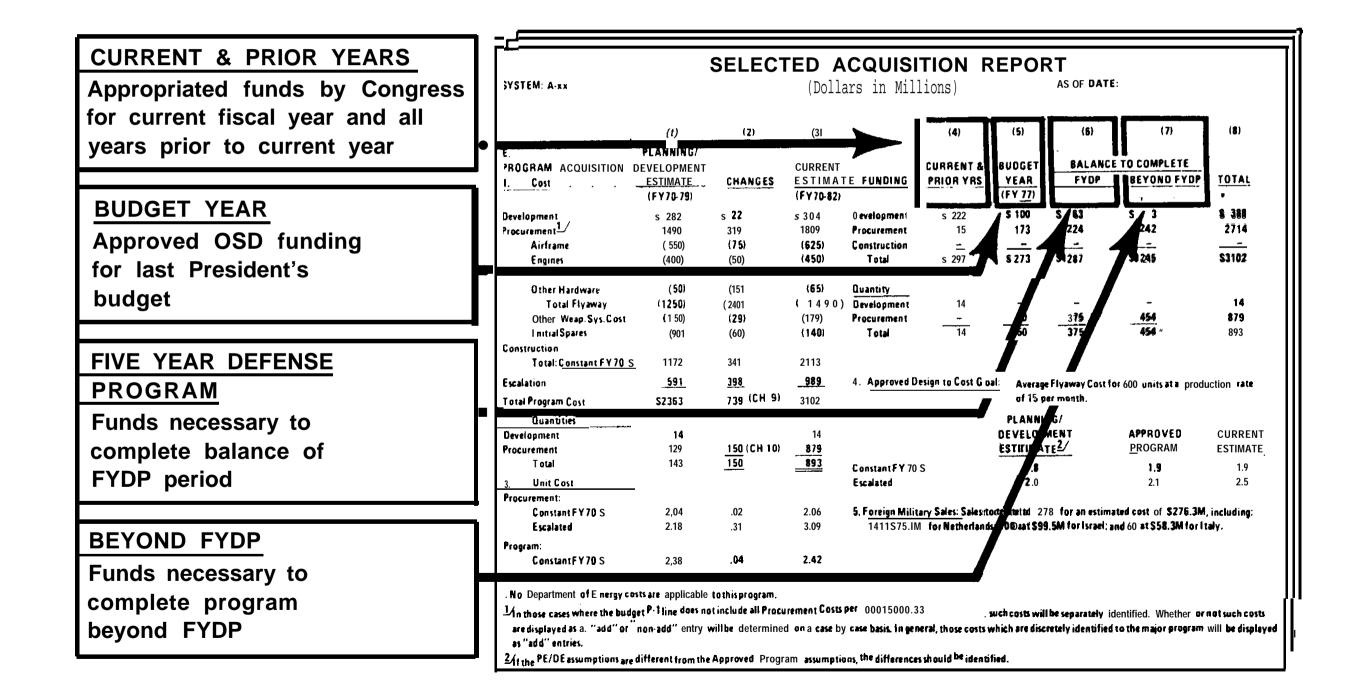(2) Changes (column 2).   Enter the quantity variance between the PE or DE and the CE.

B14

(3) <u>Current Estimate (column 3)</u> . **Enter** the total quantities included in the CE. This should be the quantity represented by the Inventory Objective.

h. <u>Unit Costs (figure 2-6)</u>. **Divide** the procurement quantities into the procurement costs and total quantities into the program costs for the procurement unit cost and program unit cost, respectively. Enter these unit costs in the applicable **PE/DE** and **CE** columns. Use the breakdown between development and procurement escalation shown in Format G, Cost Variance Analysis, for both the **PE/DE** and the **CE** to compute the unit cost with escalation for procurement and program unit cost figures. For those programs that produce more than one end item; such as air defense missile systems, a single grouping of equipment will be established as a common denominator for calculation of procurement and program acquisition unit costs in accordance with DoD Instruction 5000.33 (reference (c)). Such groupings will normally represent the smallest organizational or operational configuration necessary for a fully operational system. If, in addition, unit costs are required for one or more end items, such as missile and launch, the costs will be identified and displayed as **flyaway** unit costs and will be determined by dividing the item quantity into the appropriate cost data elements (see paragraph **2-7.a.** (.1)).

i. <u>Funding (figure 2-8)</u>. By appropriation, enter in the appropriate columns that portion of the **CE** (including escalation) that is currently programed for current and prior fiscal years, the budget year, the remainder of the FYDP period, and the amount required to complete the program. When more than one procurement appropriation is included, each will be displayed separately, such as aircraft, missile, ship, and other.

(1) <u>Current and Prior Years (column 4)</u>. Enter that portion of the **CE** that has been appropriated by the Congress for the current fiscal year and for all years before to the current year, plus or minus approved reprogramming actions, including reprogramming requests officially forwarded **to** Congress but not acted upon. Adjustments should be made for those years that have lapsed to the obligations level.

(2) <u>Budget Year (column **5**)</u>. Enter that portion of the CE approved by OSD for inclusion in the last President's budget. To avoid confusion, identify the budget year in parentheses, e.g. , (FY 77). Except for approved reprograming, apportionment, or budget amendment actions, a new budget year cost will not be reported until a new President's budget is submitted. If the signed appropriation bill differs from the amount displayed, footnote the appropriated amount. An assessment of significant program impact of such differences will be highlighted in Format B.

(3) <u>Balance to Complete (columns 6 and 7)</u>:

(a) <u>FYDP (column 6)</u>. Enter that portion of the CE that is necessary to complete the remainder of the FYDP period. Except for the December 31 SAR, this entry need not agree with any specific published FYDP (see paragraphs **2-7.d.** and **2-7.d.** (1)).

FIGURE 2-8

FORMAT E. PROGRAM ACQUISITION COST

CURRENT & PRIOR YEARS
Appropriated funds by Congress for current fiscal year and all years prior to current year

BUDGET YEAR
Approved OSD funding for last President's budget

FIVE YEAR DEFENSE PROGRAM
Funds necessary to complete balance of FYDP period

BEYOND FYDP
Funds necessary to complete program beyond FYDP

SELECTED ACQUISITION REPORT
(Dollars in Millions)   AS OF DATE:

SYSTEM: A-xx

PROGRAM ACQUISITION	(t) PLANNING/ DEVELOPMENT ESTIMATE (FY70-79)	(2) CHANGES	(3) CURRENT ESTIMATE (FY70-82)	FUNDING	(4) CURRENT & PRIOR YRS	(5) BUDGET YEAR (FY 77)	(6) BALANCE TO COMPLETE FYDP	(7) BEYOND FYDP	(8) TOTAL
1. Cost									
Development	s 282	s 22	s 304	Development	s 222	$ 100	$ 63	$ 3	$ 388
Procurement 1/	1490	319	1809	Procurement	15	173	224	242	2714
Airframe	(550)	(75)	(625)	Construction	—	—	—	—	—
Engines	(400)	(50)	(450)	Total	s 297	$ 273	$ 287	$ 245	$3102
Other Hardware	(50)	(151	(65)	Quantity					
Total Flyaway	(1250)	(2401	(1490)	Development	14		—	—	14
Other Weap. Sys. Cost	(1 50)	(29)	(179)	Procurement	—		375	454	879
Initial Spares	(901)	(60)	(140)	Total	14	50	375	454	893
Construction									
Total: Constant FY70 S	1172	341	2113						
Escalation	591	398	989						
Total Program Cost	$2363	739 (CH 9)	3102						

4. Approved Design to Cost Goal: Average Flyaway Cost for 600 units at a production rate of 15 per month.

Quantities					PLANNING/ DEVELOPMENT ESTIMATE 2/	APPROVED PROGRAM	CURRENT ESTIMATE
Development	14		14				
Procurement	129	150 (CH 10)	879				
Total	143	150	893	Constant FY 70 S		1.9	1.9
3. Unit Cost				Escalated	2.0	2.1	2.5
Procurement:							
Constant FY70 S	2,04	.02	2.06				
Escalated	2.18	.31	3.09				
Program:							
Constant FY70 S	2,38	.04	2.42				

5. Foreign Military Sales: Sales totaled 278 for an estimated cost of $276.3M, including: 141 1S75.IM for Netherlands; 00 at $99.5M for Israel; and 60 at $58.3M for Italy.

. No Department of Energy costs are applicable to this program.

1/ In those cases where the budget P-1 line does not include all Procurement Costs per 00015000.33 . such costs will be separately identified. Whether or not such costs are displayed as a. "add" or "non-add" entry will be determined on a case by case basis. In general, those costs which are discretely identified to the major program will be displayed as "add" entries.

2/ If the PE/DE assumptions are different from the Approved Program assumptions, the differences should be identified.

(b) <u>Balance (column 7)</u>.. En.ter that portion of the CE that is necessary to complete the program beyond the" FYDP(i.e.,the difference between the CE and the sum of (1) , (.2) , and (3) (a) above). Except for December 31 SAR, this entry need not agree with any specific published FYDP.

(4) <u>Total (column 8)</u> . Enter the total of columns 4 through 7.

j. <u>Design-to-Cost Goal (figure 2-9)</u> . Show Design-to-Cost information in a separate, nonadd entry. The entry is nonadd in that values need not be derived directly from the information in columns 1 and 3 of Format E. Include the original goal, present (approved) goal, and the Project mana9er's Current Estimate. Al 1 entries will be in constant and current dollars and will be expressed as an average unit flyaway, sailaway, etc. , per DoD Instruction 5000.33 and DoD Directive 5000.28, and will specify the assumed production quantity and rate. In those instances where the escalated dollar value is not readily available, it may be approximated and identified as "Approximated for information purposes only. "

k. <u>Foreign Military Sales (FMS) (figure 2-9)</u> . Programs which involve foreign military sales will display information on the quantity and es ti-mated cost of FMS by recipient country, changes in such data since the previous report, and the schedule and cost impact of such changes on the DoD programs involved. The FMS information will be based on actual FMS cases as evidenced by an accepted DD Form 1513 (Offer and Acceptance) , as amended. The reported cost will reflect the amount shown on Line 15, Estimated Cost, of DD Form 1513. Report the FMS data in the form of nonadd, information entries. Show the applicable schedule and cost impact of FMS on the DoD program, by appropriate variance category, in Format G, Cost Variance. Analysis.

l. <u>Nuclear Costs (figure 2-9)</u> . Reflect costs for associated nuclear armament and propulsion as a separate, nonadd entry.

2-8. CONTRACTOR COSTS (FORMAT F)

Contractor cost information (figure 2-10) (cost to the Government) wi ll be separately reported for all active prime and associate prime contracts valued in excess of .$5 million. Limit each report to the six largest contracts. Identify each contract by number, type, date, and whether a letter or definitized contract is in effect. Where appropriate, entries will be based on information contained in the latest contractor cost and performance reports. The as of date should be noted when it differs from the SAR date. Report development, procurement, and construction contract information separately. Indicate changes since the previous submission by the notation "Ch.," plus a sequential number covering the complete SAR, in parentheses immediately to the right of the changed data, such as (Ch. 7) , (Ch. 8) . Restart the number sequence with each report.

a. <u>Initial Contract Price.</u> Enter the initial contract (target) price as stipulated in the original contract. Quantities are optional reporting items and are not required.

FIGURE *2-9*

FORMAT E. PROGRAM ACQUISITION COSTS

SELECTED ACQUISITION REPORT
(Dollars in Millions)

SYSTEM: A-xx   AS OF DATE:

	(1)	(2)	(3)		[4]	(5)	(6)	(7)	(s)
E.	**PLANNING/**					**& BUDGET**	**BALANCE TO COMPLETE**		
PROGRAM ACQUISITION	DEVELOPMENT		cURRENT		CURRENT				
1. Cost	ESTIMATE	CHANGES	ESTIMATE FUNDING FOR YRS			YEAR	FYDP	BEYOND FYDP	TOTAL
	(FY70-79)		(FY70-82)			(FY 77)			
Development	s 282	s 22	s 304	Development	s 222	s 100	S 63	s]	s 3s8
Procurement 1/	1490	319	1609	Procurement 1/	1 5	173	**1224**	1242	**2714**
Airframe	15501	(751	(625)	Construction	–				–
Engines	(400)	(501	(4501	Total	S 297	S 273	S1267	S1245	s3.102
Avionics	(250)	(100)	(350)						
Other Hardware	(50)	(151	(65)	Quantity					
Total Flyaway	(1250)	(240)	(1490)	Development	14				14
Other Weap. Sys. Cost	(150)	(29)	(179)	Procurement		50	315	454	879
Initial Spares	(90)	(50)	(140)	Total	14	50	375	454	893
Construction		–							
To tal: Constant FY70 S	1772	341	2113						
Escalation	591	398	989						
Total Program Cost	S2363	739 (CH 9)	3102						
2. Quantities									
Development	14		14						
Procurement	729	150 (CH 10)	879						
Total	143	.150	893						
3. Unit Cost									
Procurement:									
Constant FY70 S	2,04	.02	2,06						
Escalated	2.18	.31	3.09						
Program:									
Constant FY70 S	2.38	.04	2.42						
Escalated	3.18	.31	3.49						

4. Approved Design to Cost Goal: Average Flyaway Cost for 600 units at a production rate of 15 per month.

	PLANNING/ DEVELOPMENT ESTIMATE 2/	APPROVED PROGRAM	CURRENT ESTIMATE
Constant FY70 S	1.8	1.9	1.9
Escalated	2.0	2.1	2.5

5. Foreign Military Sales: Sales to date total 288 for an estimated cost of $276.3M, including: 74 at $75.1M for Netherlands; 100 at $99.5M for Israel; and 60 at $58.3M for Italy.

No Department of E nergy costs are applicable to this program.

1/ " three cases where the budget P-1 line does not include all Procurement Costs per 00015000.33   such costs will be separately identified. Whether or not such costs are displayed as an "add" or non- add" entry will be determined on a case by case basis. In general, those costs which are discretely identified to the major program will be displayed as "add" entries.

2/ If the PE/DE assumptions are different from the Approved Program assumptions, the differences should be identified.

DESIGN-TO-GOAL
Displays original goal, present goal and PM's current estimate

FOREIGN MILITARY SALES
Provides quantity & estimated cost of FMS by recipient country

NUCLEAR COSTS
Shows cost of nuclear armament or propulsion systems

b. Current Contract Price:

(1) Target. Enter the current contract target price: the sum of the initial contract price, definitized changes, and the estimated price of authorized but **undefinitized changes.** Quantities are optional reporting items and are not required..

(2) Ceiling. Enter the current contract ceiling price: the sum of the initial ceiling price, the ceiling price of definitized changes, and the estimated ceiling price of authorized but undefinitized changes.

c. Price at Completion:

(1) Contractor Estimate. Enter the contractor's current estimated price at completion of all authorized work. Include expected incentives and the Government's share of expected over or under target amounts.

(2) Government Estimate. Enter the Government's independent assessment for paragraph C.(1), above. Show parenthetically the total dollar value of planned changes as yet unauthorized to the contractor, such as $217.5M ($22.3M). The data in parentheses need not be reported if disclosure of this information would jeopardize the Government's negotiating position. Provide specific justification for such deletions separately, such as in the SAR transmittal memorandum.

2-9. VARIANCE ANALYSIS (FORMAT G)

Briefly summarize explanations of significant variances between designated columns of information within the prescribed technical, schedule, and cost tables, as indicated below. The thrust of the variance analysis is a summary explanation of changes between the DE or PE and the CE, with a more detailed explanation of the identified changes since the previous report. Changes since the previous report will identify the magnitude of the change. All change explanations should explicitly identify why the change occurred. For example, reprogramming action explains how the change occurred but additional flight testing explains why the change occurred. Specifically identify any estimate that will breach a SDDM, DCP, or other OSD threshold. The variance analysis may be provided at the end of each section (technical, schedule, and cost) or in a separate section at the end of the report. A one-time analysis of the differences between the PE and the DE will accompany the submission of the first report containing the DE. A copy of the program acquisition cost variance analysis will be included in each subsequent report.

a. Operational/Technical Characteristics and Schedule Milestones (figure 2-11). Explain, in brief summary form, the significant variances between the DE/PE and the CE and the identified changes since the previous submission. The variance summary for formats C and D should be followed by the explanation of changes since the previous report. The change explanation should identify the amount of the change, such as +50 ft CEP or +2 months.

FIGURE *2-10*

FORMAT F. CONTRACTOR COST SECTION

PROVIDES:

- Initial and current contract price and quantity
- Contractor and government estimated price at completion

for

Six Largest **Contracts**

CONTRACT INFORMATION SECTION

SYSTEM: A-xx   AS OF DATE:

F.

CONTRACTOR COSTS	1 INITIAL CONTRACT		2 CURRENT CONTRACT PRICE[A]			3 PRICE AT COMPLETION	
	PRICE	QTY	TARGET	CEILING	QTY	CONTRACTOR ESTIMATE[A]	GOVERNMENT ESTIMATE
DEVELOPMENT							
1. ABC AIRCRAFT	S15s.3	10	$171.5		6	5191.5	S217.5 (22.3)
1. GENERAL ENGINE	s 21.7	32	S 24.2 (Ch15)	S 26.3	.?0	S 23.3 (Ch16)	S 24.2 (Ch 17)
PROCUREMENT							
1. ABC AIRCRAFT	S110.3	48	S188.6 (Ch18)	S210.4	52	S206.8 (Ch 19)	S212.4 (Ch 20)
L ABC AIRCRAFT	S136,3	43	S147.3	S164.1	43	S147.3	S160.1
3 GENERAL ENGINE	s 59.3	124	s 59.8	S 67.4	130	S 65.1	s 75.0 (10.2)
4. GENERAL GUN	S 13.2	48	S 23.8	S 25.3	52	S 23.3	S 24.7

CONTRACT IDENTIFICATION

1. ABC AIRCRAFT LONG ISLAND, NY	- CONTRACT NO. F33657-74-C-0000;1 MARCH 1974:	COST PLUS INCENTIVE FEE; DEFINITIZED (DEVELOPMENT) FPIF:DEFINITIZED(PROC)
2. ABC AIRCRAFT LONG ISLAND, NV	- CONTRACT NO, F33657-76-C-001 0; 26 APRIL 1916:	FIXED PRICE INCENTIVE FIRM; DEFINITIZED (PROCUREMENTI
3. GENERAL ENGINE PHILADELPHIA, PA	- CONTRACT NO. F33657-74-C-0020;1 MARCH 74:	FIXED PRICE INCENTIVE FIRM; DEFINITIZED (DEVELOPMENT ANO PROCUREMENT)
4. GENERAL GUN BOSTON. MA	- CONTRACT NO. F33657.74.CO03021 JUNE 74	FIXED PRICE INcENTIVE FIRM; DEFINITIZED (PROCUREMENT)

[A] CONTRACT PRICES AND Contractor ESTIMATES OBTAINED FROM THE CONTRACTOR COST PERFORMANCE REPORTS AVAILABLE 30 SEPTEMBER 1976.

FIGURE **2-11**

FORMAT G. TECHNICAL& SCHEDULE VARIANCE

VARIANCE EXPLANATION SHOULD:
- Describe nature of the problem
- " • Give reasons for the variance
- Provide immediate program impact
- Provide impact on total program
- State any corrective action
- Be commensurate with degree & severity of variance

TECHNICAL SECTION

SYSTEM: A-xx AS OF DATE:

C.

OPERATIONAL/TECHNICAL CHARACTERISTICS		DEVELOPMENT ESTIMATE	APPROVED PROGRAM	DEMONSTRATED PERFORMANCE[A/]	CURRENT ETIMATE
OPERATIONAL					
1. CRUISE SPEEU (K)		300	300	342*	342
2. FORWARD AI RSTRIP T.O.& LANO	T.O.	1,200	1,200	.0	1.800
ROLL, 4MK-82, 750 RDS 30mm AMMO (FT)	LAND	1,200	1,200	1,460	1.460 1
3. LOITER TIME AT 250NMRADIUS, 18 MK-82 (HR)		2	2	1.8	1.8
4. BOMBING ACCURACY, MK-82 (CEP)(FT)		112	112	101"	101
E. STRAFING ACCURACY,(CEP) (NILS)		10	10	4"	4
& SUSTAINED LOAD FACTOR, 6 MK-82 & 750 ROS AMMO					
AT 215 K (g)		3.5	3.5	3.2	3.2
AT 150 K (g)		2.2	2.2	2.0	2.0
TECHNICAL					
1. WEIGHT EMPTY (LB)		19,260	19,260	20,860	20,850
2. MAXIMUM GROSS WT (LB)		45,640	45.640	47.400	41,400
3. MAINTAINABILITY (MANHOURS/FLT HR)		12	12		1 2

"MEETS OR EXCEEOS CONTRACTUAL GUARANTEES.

[A/]MEAN VALUE

SCHEDULE SECTION

SYSTEM: A-xx AS OF DATE:

S CHEDULE MLLESTONES	DEVELOPMENT ESTIMATE	APPROVED PROGRAM	CURRENT ESTIMATE
1. DSARC I (Phase 1 Eng. Dev.)	Jan 10	Jan 70	Jan 70
2. Contract Award	Feb JO	Feb 70	Feb 70
3. First Flight	Mar 72	Mar 72	Mar 72
4. DT/OT I completed	Dec 72	Dec 72	Dec 72
5. DSARC II (Full Scale Development)	Feb 13	Feb 73	Feb 73
6. Contract Award	Mar 74	Mar 74	Mar 74
7. Critical Design Review	Apt 16	Apr 75	Apr 75
8. Engine Preliminary Flight Rating Test	Aug 75	Aug 75	Aug 75
9. First Flight	Jan 76	Jan 76	Feb 76
0. OT II m completed	Apr 76	Apr 76	Aua 76
1. DSARC IIIA [Initial Production Approval)	Jun 76	Jun 76	68p" 76
2. Release FY80 Long Lead Prod Funds	Jul 76	Jul 76	Oct 76
3. Contract Award	Aug 76	Aug 76	Nw 7 6
A Release F Y80 Production	Sep 16	Sep 76	Dec 16
5. First Flight DT&E Aircraft	Nov 76	Nov 76	Feb 17
6. DSARC IIIB (Full Production Approval)	Dec 76	Dec 76	Mar 71 (CH3)
7. Deliver First Production Aircraft	Jan 77	Jan 77	Apr 71 (CH4)
K Initial Operating Capability[1/]	Mar 78	M" 78	Jul 78 (CH5)

DELIVERIES

(Plan/Actual)	To Date	.1 Qtr	+2 00	+3 Qtr	+4 Qtr
R&D	13/10	1			
Procurement	0/0	6	10	20	25

b.   Program Acquisition Costs.   Quantify and explain, in brief summary form, the variances between the **DE/PE** and the **CE** and the identified changes since the previous submission.   The detailed requirements and format for the cost variance analysis are discussed **in** Chapter 3.

2-10. BUDGET YEAR AND OUT YEAR PROGRAMS (FORMAT **H)**

This table (figure 2-12) will provide a breakdown, by fiscal year, of the program acquisition cost and escalation applicable to the budget year and balance to complete segments of the **CE.**   By appropriation, enter **in** the appropriate columns the current program cost for each fiscal year, tie estimated amount of escalation included, and the annual escalation rates applicable to each year for the program being reported.   Entries should be identified to the specific fiscal year to which they apply and should agree with the amounts reported **in** the applicable columns of the funding section of Format E, Program Acquisition Cost, for the same date (see figure 2-13). The escalation amounts should include both economic escalation and escalation related to program changes, estimated from the base year of the program. Escalation estimates will take into account the outlay rates applicable to the program concerned for each fiscal year and the compounding effect of prior years' escalation.   Identify changes since the previous report and changes in rates previously reported for prior fiscal years and explain by footnote.

2-11. COST-QUANTITY CURVES (FORMAT I)

The cost-quantity curve in program base year constant dollars for both the R&D and production units will be submitted in graphic form with the equation used, or a table showing cost and quantity by fiscal year.   This is to be submitted with the first SAR in which the PE or DE is reported.   Nonrecurring cost for both the R&D and production units will be separately identified. Where costs must be separately computed for more than one end item of equipment (see paragraphs 2-7a.(1) and **2.7.h.),cost-quantity curves will** be prepared for each end item (support equipment is excluded).   Quantity variance will be computed using the appropriate PE or DE cost-quantity curves (see paragraph. **3-2.c.).**   With subsequent SAR submissions, an updated graph or table showing cost and quantity by fiscal year should be submitted displaying the PE or DE curve and the **CE** curve when a formal program estimate update has been completed or when there has been a cumulative change in flyaway cost, less quantity changes, of **10** percent or more since the last curve update.   These updating requirements apply to each reportable end item.

Specific instructions are:

a.   The recurring unit cost curve **should** always be used and should **be** labeled as such; if a cumulative average curve is also shown, it should be clearly labeled.

FIGURE 2-12

FORMAT H. BUDGET YEAR AND OUT YEAR PROGRAMS

FISCAL YEAR
Identification of each FY, by year, from budget year to end of program

CURRENT ESTIMATE
Projected funding from budget year to end of program in current dollars

ESCALATION
Amount of economic and program change related escalation from base year included in CE

BUDGET YEAR AND OUT YEAR PROGRAM
(Dollars in Millions)

SYSTEM: A XX

AS OF DATE:
BASE YEAR: 1970

FISCAL YEAR	CURRENT ESTIMATE			ESCALATION					
	BUDGET YEAR & TO COMPLETE			AMOUNT			RATE 1/		
	DEV.	PROC.	CONST.	DEV.	PROC.	CONST.	DEV.	PROC.	CONST.
1977	100	173	–	45	,55		4.0	4.0	
1978	35	450		15	150		4,0	4.0	
1979	10	350		4	125		4.0	4.0	
1980	10	250		5	75		4.0	4.0	
1981	8	100		4	45		4,0	4.0	
1982	3	74		2	35		4,0	4.0	
1983	-	500(CH 21)			150 (CH 24)			4.0	
1984	-	400 (CH 22)			125(CH 251			4.0	
1985	-	200(CH 23)			75 (CH 26)			4.0	
1986	_-	142			60			4.0	
TOTAL	166	2639		75	895				

CHANGES SINCE PREVIOUS REPORT: None

Footnote:

1/Since the annual shown do not incorporate speed...t rates nor the compounding effect of prior years' escalation, they cannot be used t. track the inflation amounts shown for applicable years.

FIGURE 2-13

RECONCILIATION OF COST FORMATS

FORMAT H

BUDGET YEAR AND OUT YEAR PROGRAM
(Dollars in Millions)

SYSTEM. A-XX

AS OF DATE:
BASE YEAR: 1970

FISCAL YEAR	CURRENT ESTIMATE BUDGET YEAR&TO COMPLETE			ESCALATION AMOUNT			RATE 1/		
	DEV.	PROC.	CONST.	DEV.	PROC.	CONST.	DEV.	PROC.	CONST
1977	1100	173		45	55		4.0	4.0	
1978	35	450		15	150		4.0	4 . 0	
1979	10	3s0		4	126		4.0	4.0	
1980	10	250		5	75		4.0	4.0	
1981	8	100		4	46		4.0	4.0	
1982	3	14		1	35		4.0	4.0	
1983	-	500 (CH 21)			150 (CH 24)	-		4,0	
1444	-	400 (CH 22)			125 (CH 25)	-		4.0	
1985	-	200 (CH 23)			75 (CH 26)	-	'-	4.0	
1986	-	142	-	-	50	-	-	4.0	
TOTAL	144	343s		1s	895				

CHANGES SINCE PREVIOUS REPORT: None

1/ Since the annual shown do not incorporate spend-out rates nor the compounding effect of prior years' escalation, they cannot be used to track the inflation amounts shown for applicable years.

Current budget year and sum of balance-to-complete must reconcile with funding data on Format E

FORMAT E

ACQUISITION REPORT

AS OF DAT

	(4) CURRENTS. PRIOR YRS	(5) BUDGET YEAR (FY 77)	(6) BALANCE TO COMPLETE FYDP	(7) BEYOND FYDP	(8) TOTAL
FUNDING					
Development	$ 222	S 100	S 63	S 3	S 318
Procurement 1/	7 5	173	1224	1242	2714
Construction	-				-
Total	$ 297	$ 273	$1287	$1246	$3102
Quantity					
Development	14	-	-		14
Procurement		50	375	454	879
Total	14	W	375	454	893

4. Approved Design to Cost Goal:

b.   In the situation where an-equation has been used, a statement should be. made on the graph as to whether the curve is based on the theory **of** a log-linear unit or a log-linear cumulative **average** (see reference (g) , Chapter 5).

c.   The x and y axes should be clearly **labeled.** "

d.   In all cases, the recurring costs for the R&D units should be plotted and labeled on the graph.

e.   The graph should be reproducible and readable.

f.   The supporting data should include the following:

(1) Documentation should be sufficient to reproduce the **cost**-quantity curve in order to calculate quantity variance during the life of the program and to independently verify the calculated variances.

(2) Provide the first unit cost and slope of the curve, or the equation.   If a curve is not used, then provide the data according to the following table:

Fiscal Year **(FY)**	Qty	Total Recurring Cost/FY	Unit Average Cos t/FY	**Plot** Point

(3) The total nonrecurring and recurring costs must be reconciled to the **flyaway** cost reported in the SAR.

e.   The definitions for nonrecurring and recurring costs should be based on those provided in the Contractor Cost Data Reporting System **(CCDR).** It should be noted that work breakdown structure elements, systems/project management and systems test and evaluation, are included as part of the RDT&E and production flyaway cost definition.   **Flyaway** costs as defined for procurement should be consistent with reference (c).

FIGURE 2-14

FORMAT 1. COST QUANTITY CURVES

SELECTED ACQUISITION REPORT
COST QUANTITY CURVES